

THOMSON CONTRACTING CO., INC.

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MAY 20, 1958.—Committed to the Committee of the Whole House and ordered to be printed

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Mr. POFF, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 5904]

The Committee on the Judiciary, to whom was referred the bill (H. R. 5904) for the relief of Thomson Contracting Co., Inc., having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 1, line 5, strike "\$91,905.20" and insert "\$48,966.36". Page 1, line 10, strike the period after "1955" and insert:

: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

PURPOSE

The purpose of the proposed legislation, as modified by the recommendations of the committee, is to pay the Thomson Contracting Co., Inc., of St. Petersburg, Fla., the sum of \$48,966.36 in full settlement of its claims against the United States for losses sustained as a result of contract NOy 89175 with the Department of the Navy dated July 22, 1955.

STATEMENT

The Thomson Contracting Co., Inc., was awarded the contract NOy 89175 on July 22, 1955, for the installation of 2 mooring dolphins and the resetting of 2 mooring dolphins at each of the 5 British West

Indian islands of Grand Bahama, Eleuthera, San Salvador, Mayaguana, and Grand Turk. The contract was a lump-sum contract in the amount of \$143,000. The specifications for each of the mooring dolphins called for under the contract were that they were to be constructed of five steel-bearing piles capped with a circular reinforced concrete platform with provisions for bollards, fenders, access ladders, mooring lines, etc. Work under the contract was required to be completed within 240 calendar days, and there were provisions for liquidated damages of \$70 a day in the event of delay. The contractor furnished a performance bond, and a payment bond. Seven changes were subsequently made in the contract which included extensions of completion time. The contract work was completed within the contract time so extended, and no liquidated damages were assessed.

As the Thomson Contracting Co. began work on the contract its first misfortune occurred when its construction vessel was passing under a bridge in Miami, and the lift bridge was lowered and severely damaged the vessel. A local shipyard repaired the damage. On December 14, 1955, on its way to Grand Bahama Island, the vessel ran into heavy weather and sank with all material and equipment. The contractor was granted 53 days' additional time as a result of the difficulties brought about by this loss. On April 12, 1956, the Thomson Contracting Co. lost a barge with its supplies in another storm which delayed work for another 35 days. Still another delay of 22 days was caused when a crane was lost overboard. Although the extensions were granted, the Navy denied relief under title II of the First War Powers Act, first, on the ground that there had been no mutual mistake and, secondly, that there was no "amendment without consideration." As to the latter point it was ruled that the administrative relief available under the First War Powers Act would be possible only where necessary to complete existing contracts, or to save a firm which is the sole or indispensable producer of defense needs. In the latter case the relief would be limited to only the actual amount required to complete the work or to save the firm. Therefore the only recourse for the Thomson Contracting Co. is for it to appeal to the Congress for equitable relief.

In its report to the committee on the bill, the Department of the Navy noted that the performance of this contract was plagued by an unusual series of maritime accidents. Despite these difficulties the contract was completed within the contract time as extended. The Navy report states that the contractor produced high-class readily acceptable finished construction. In that connection the Navy report contained the following statement:

The Department of the Navy considers that this contractor has been well organized, has worked rapidly and well, and has produced high-class readily acceptable finished construction.

That report further states that the Navy considers that any loss suffered on the contract arose from an unusual amount of ill fortune suffered by the contractor in the course of the work as a result of accidents and the natural elements. The Navy indicated that it preferred not to make any recommendation as to the granting of relief to the contractor.

After a careful consideration of the facts of this case the committee has determined that the Thomson Contracting Co. should be granted relief for its losses in the reduced amount recommended by the committee. Clearly the losses attributable to the storms and casualties were of a type which could not be reasonably foreseen. It is obvious from the facts that neither the Navy nor the contractor had any clear idea that the contract work would involve such risks. The evidence before the committee discloses that insurance was not readily available for work of this type outside of the United States. In fact, the high premiums for such insurance would have made it impossible for the contractor to submit a bid in line with other bids submitted for the work. This meant that common practice and competition at the time made such bidding all but impossible. In the light of these facts the committee has concluded that it is unfair to penalize the Thomson Contracting Co. by requiring it to bear the burden of these losses incurred in completing work for the United States.

This committee requested that the Navy make an additional investigation as to the losses suffered by the Thomson Contracting Co. The amount originally stated in the bill as introduced was \$91,905.20. However, the Navy investigation indicates that the amount of \$68,776.32 claimed as overhead costs exceeds the 10 to 15 percent allowance generally followed by the Navy in cost-type contracts. Since the \$68,776.32 amounts to about 48 percent of the original contract price, the committee has determined that the overhead cost should be computed on the basis of a 15-percent allowance when applied to the added costs encountered on the contract. This requires that the \$68,776.32 be subtracted from \$91,905.20, leaving a figure of \$23,128.88 as the added cost on the contract due to the losses outlined above less the amount originally included as overhead cost. The allowable overhead cost can be ascertained by taking 15 percent of \$172,249.88, which figure is the sum of \$23,128.88 plus the ultimate amount paid on the contract, \$149,121. This results in an overhead figure of \$25,837.48 which when added to the \$172,249.88 provides a figure of \$198,087.36. When the payment received by the company, \$149,121, is subtracted from that figure of \$198,897.36 the result is \$48,966.36. This final amount is the amount which the committee finds is equitably due the Thomson Contracting Co. for its unfortunate losses. This figures does not fully compensate the Thomson Contracting Co. for its losses, but this committee feels that this is the figure which should be paid in view of all the circumstances of the case. The committee therefore recommends that the bill, amended to provide for a payment of \$48,966.36, be favorably considered.

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DEPARTMENT OF THE NAVY,  
OFFICE OF LEGISLATIVE LIAISON,  
Washington, D. C., May 2, 1957.

HON. EMANUEL CELLER,  
*Chairman, Committee on the Judiciary,*  
*House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter of March 18, 1957, to the Secretary of the Navy requesting comment on H. R. 5904, a bill for the relief of Thomson Contracting Co., Inc.

This bill would authorize the Secretary of the Treasury to pay to the Thomson Contracting Co., Inc., of St. Petersburg, Fla., the sum of \$91,905.20 in full settlement of all claims against the United States, such sum representing the losses sustained under contract NOy 89175 dated July 22, 1955, with the Department of the Navy.

On July 22, 1955, after competitive bidding, the Thomson Contracting Co., Inc. was awarded a lump-sum contract NOy 89175 in the amount of \$143,000. The work to be performed under this contract was entitled "Mooring dolphins" on the joint long-range proving ground, British West Indies, and involved the installation of 2 mooring dolphins and the resetting of 2 mooring dolphins at each of the 5 islands of Grand Bahama, Eleuthera, San Salvador, Mayaguana and Grand Turk. Each mooring dolphin consisted of 5 steel-bearing piles driven to 25 feet penetration or refusal, capped with a circular reinforced concrete platform-carrying provisions for bollards, fenders, access ladders, mooring lines, etc.

The work was required to be completed within 240 calendar days, subject to liquidated damages for delay of \$70 per day. The contractor furnished a performance bond in the amount of \$143,000 and a payment bond in the amount of \$71,500, both from the National Surety Corp. During the period of performance of this contract seven changes were made in the contract. Change A extended the completion time 53 days for delays beyond the control and not the fault or negligence of the contractor. Change B increased the price \$2,005 and extended the time 3 days for relocating mooring dolphins and providing different manila lines. Change C increased the price \$668 and extended the time 1 day for relocating a mooring dolphin. Change D extended the time 35 days for delays beyond the control and without the fault or negligence of the contractor. Change E increased the price \$5,730 and extended the time 10 days for sandblasting, painting, and repairing 2 mooring buoys. Change F decreased the price \$2,282 (net) and extended time 1 day for relocating 1 dolphin and providing Government buoys and anchors. Change G extended the time 49 days for delays in procurement of steel, unusually severe weather, and a crane accident. The contract work has been completed within the contract time as extended, and no liquidated damages have been assessed.

The contractor's performance of this contract was plagued by an unusual series of maritime accidents. At the outset, as his construction vessel was passing under a bridge in Miami, the lift bridge was lowered and severely damaged the vessel. A local shipyard repaired the damage. However, on December 14, 1955, on its way to Grand Bahama Island the vessel ran into heavy weather and sank with all material and equipment. As a result, the contractor requested a time extension of 53 calendar days. The full time extension requested was granted by change A mentioned above. On April 12, 1956, the contractor lost a barge with its supplies in another storm which delayed work 35 days and on July 18, 1956, a crane was lost overboard delaying work an additional 22 days. The contractor requested financial relief under the First War Powers Act, because, although time extensions were granted, rentals continued or increased during the delays. The Department of the Navy on November 2, 1956, denied this relief as being not applicable under said act. On a request for reconsideration of its decision, the Department of the Navy on January 10, 1957, adhered to its previous decision.



The Department of the Navy considers that this contractor has been well-organized, has worked rapidly and well, and has produced high-class readily acceptable finished construction. The Department of the Navy cannot confirm whether the contractor has suffered the loss of \$91,905.20 stated in the bill and has no records of the contractor's costs from which his loss can be ascertained. This Department also cannot tell to what extent the accidental losses were or could have been covered by insurance. It is considered that any loss suffered on this contract arose from an unusual amount of ill fortune suffered by the contractor in the course of the work as a result of accidents and of the natural elements.

In the present case the contract was completed by both the contractor and the Department of the Navy, and the contractor has no legal claim under the contract. While there may be equitable considerations, the Department of the Navy does not have the facts on which to base a recommendation, and whether or not such equitable relief is to be granted is matter within the purview of the Congress. Accordingly, the Department of the Navy makes no recommendations concerning the enactment of H. R. 5904.

The Department of the Navy has been advised by the Bureau of the Budget that while there is no objection to the submission of this report on H. R. 5904 to the Congress, the Bureau of the Budget, on the basis of information available in this report, believes that the enactment of legislation granting relief to this claimant is not justified.

Sincerely yours,

E. C. STEPHAN,  
*Rear Admiral, United States Navy,*  
*Chief of Legislative Liaison*  
(For the Secretary of the Navy).

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DEPARTMENT OF THE NAVY,  
OFFICE OF LEGISLATIVE LIAISON,  
*Washington, D. C., April 9, 1958.*

HON. EMANUEL CELLER,  
*Chairman, Committee on the Judiciary,*  
*House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: In further reply to your request of August 15, 1957, for an analysis of the records of Thomson Contracting Co., Inc., in connection with your consideration of H. R. 5904, a bill for the relief of Thomson Contracting Co., Inc., I wish to furnish the following information.

As you know, contract NOy 89175 was a fixed-price agreement. The contract provided for the construction of mooring dolphins at the joint long range proving ground, British West Indies. Loss to the contractor stems from several misfortunes that occurred at sea, details of which were furnished in the Navy's report dated May 2, 1957.

Prior to the introduction of the subject bill, administrative remedies under title II of the First War Powers Act were pursued and denied. Title II relief was examined on the basis of "mutual mistake" and "amendment without consideration." As to the aspect of mutual mistake, a contention was raised that the contracting parties could

not have foreseen the hazards of overwater operations. On this point the Navy's Bureau of Yards and Docks advised the contractor that "hazards of overwater operations with possible loss of vessels and equipment were manifest at the time of the contracting \* \* \*. As in all lump-sum contracts, the Bureau understood that the contractor would provide for these manifest risks by insurance, contingency allowances, or otherwise. In your circumstances the Bureau is obliged to conclude that the law governing relief for mutual mistake does not permit a remedy."

As to an amendment without consideration the contractor was advised that "such relief is possible under the precedents only where necessary to complete existing contracts, or to save a firm which is the sole or indispensable producer of defense needs; and even then relief is limited to the actual amount required to complete the work, or to save the firm."

In effect, the contractor could not demonstrate a basis and the Navy could not sustain a finding which would warrant an amendment without consideration.

The contractor has furnished a complete schedule of expenses incurred under the contract and a copy of this schedule is enclosed for your information. In this schedule the contractor reported a total cost under the contract of \$240,955.70 taking into consideration certain recoveries in the amount of \$10,949.50. Total payments made by the Navy were \$149,121. A total net loss of \$91,834.70 is claimed. Various items of cost which form the basis of the claim are of such a nature that they could not be allowed even if the contract were of the cost-plus type rather than the fixed-price type as this contract was. These are specifically discussed below and all references to "schedules" are keyed to those enumerated in the enclosure.

Schedule C-1 lists equipment losses amounting to \$36,261.21 resulting from the sinking of the motor vessel *Monster*. Included in this amount is the sum of \$8,500 representing the cost price of the *Monster* itself. Such losses to the property of the contractor generally are not allowable costs in cost-type contracts. As was pointed out in correspondence between the Navy and the contractor an assumption was made that the contractor protected himself against various apparant risks by insurance or otherwise. It will be noted on page 1 of the enclosure that the contractor did realize a recovery from insurance of \$5,852 and a recovery from legal action against the city of Miami of \$5,097.50. Although the losses sustained may be otherwise charged off as business expenses, they are not of a nature for which reimbursement may be had even if this contract were a cost-type contract. Schedule C-1 also lists depreciation on equipment which would generally be allowable on cost contracts. It should be noted, however, that the contract extended over a much longer period than anticipated as numerous extensions were granted for the benefit of the contractor by reason of his numerous misfortunes. A detailed audit would be required to determine specifically what depreciation could actually be applied to the cost of this contract.

Schedule C-2 lists \$35,002.17 for wages paid employees engaged under the contract. Generally in a cost contract labor costs would be allowable. Again there is no way to determine without a detailed audit what portion of the above amount was paid for work actually performed on the contract.

Materials listed in schedule C-3 totaling \$39,496.72 were purchased for the contract according to the statement of the contractor. A detailed audit would be required to determine if any specific items listed were not applicable to the contract otherwise this would be an allowable item in a cost-type contract.

Equipment rentals listed in schedule C-4 would generally constitute allowable items under a cost contract. A detailed audit would be necessary to determine if a necessity for the equipment actually existed in order to complete the contract.

Schedule C-5 lists a number of services at direct cost which ordinarily would be reimbursable under a cost-type contract.

Schedule C-6 lists overhead costs as \$68,776.32. This amounts to about 48 percent of the contract price of \$143,000. Normally the Navy allows only 10 to 15 percent for field and home office overhead. In this particular schedule specifically the bond premiums at \$1,279.50 and the interest on loans at \$4,400.90 would not generally be reimbursable in a cost-type contract. It is noted that audit and legal expenses are listed at \$4,112.33. The Navy can see no basis for charging such costs against the contract since the contract imposed no auditing responsibilities on the contractor and involved, so far as this Department is aware, no litigation. In a cost-type contract these expenses would probably be disallowed.

To evaluate the costs of Thomson to any greater degree would involve a detailed audit at a considerable expense to the Government as each of the items listed in the schedule would have to be gone into in detail. It is not believed that the committee desires such an undertaking, and it is hoped that this information furnished will be sufficient for the consideration of H. R. 5904.

This Department will be pleased to furnish any further information on this contract that your committee may desire.

Sincerely yours,

E. C. STEPHAN,  
*Rear Admiral, United States Navy,*  
*Chief of Legislative Liaison.*

Mooring dolphin contract, U. S. Navy, BUDocks NOy 89175, as of Dec. 31, 1956

SUMMARY OF LOSS

A. Basic status:

Total of all costs on contract, less recovered costs.....	\$240, 955. 70
Final net amount paid by U. S. Navy on contract.....	149, 121. 00
Total net loss incurred.....	<u>91, 834. 70</u>

B. Analysis of costs:

1. Equipment losses (figured at cost, plus depreciation; see schedule C-1).....	37, 181. 11
2. Direct job costs:	
(a) Labor (see schedule C-2).....	\$35, 002. 17
(b) Materials (see schedule C-3).....	39, 496. 72
(c) Equipment rentals (see schedule C-4).....	57, 464. 96
(d) Other job costs (see schedule C-5).....	13, 983. 02
Total direct job costs.....	145, 946. 87
3. Overhead costs (see schedule C-6).....	68, 777. 22
Total.....	<u>251, 905. 20</u>

C. Recoveries against costs:

1. Net recovery, insurance claims.....	\$5, 852. 00
2. Net recovery, legal action against city of Miami, re motor vessel <i>Monster</i> .....	5, 097. 50
Deducted from above costs.....	<u>10, 949. 50</u>
Total cost, net, as above.....	<u>240, 955. 70</u>



## SCHEDULE C-1. EQUIPMENT LOSSES, INCLUDING DEPRECIATION

<b>1. Lost at sea (sinking of vessel, December 1955):</b>	
Motor vessel <i>Monster</i> (purchase price)-----	\$8,500.00
Refrigerator, stove, washing machine-----	145.00
25-kilowatt powerplant-----	900.00
Welding machine and saw-----	460.99
Nassau dinghy-----	80.00
Winch-----	275.00
Jeep-----	505.00
Winches, ctd-----	515.60
Tarpaulin, winches, floodlight-----	564.58
Jeep engine-----	352.52
Pile-driver leads-----	800.00
Weighing scales-----	50.00
Cement mixer-----	800.00
Pumps-----	117.89
Concrete bucket-----	140.00
Pump, hose, engine-----	478.45
Battery charger-----	83.97
Ship radio-----	675.00
Sandblaster and tank-----	337.37
Dillon dynamometer-----	190.08
Lincoln welder-----	550.00
Vibrator, cement-----	178.25
Jaeger pump-----	596.78
Sandblaster-----	466.30
Pile-driver leads-----	750.00
Jaeger rotary air compressor, (600 cubic feet) and Vulcan 400 A pile extractor (as replaced by Llewellyn Machinery, Miami, Fla., to the owners)-----	17,748.43
<b>2. Depreciated values of other equipment:</b>	
Chevrolet pickup truck-----	\$583.33
Dodge pickup truck-----	275.00
Dodge 1½-ton truck-----	126.57
Office equipment-----	70.00
Total-----	954.90
Less appreciation per sale of Ford Prefect car (pur- chased at \$315, sold at \$350)-----	35.00
Net depreciation-----	919.90
Total equipment losses and depreciation-----	37,181.11

## SCHEDULE C-2. LABOR

(As taken from payroll records)

1955—August-----	\$183.80
September-----	685.00
October-----	3,153.83
November-----	2,800.38
December-----	7,188.15
1956—January-----	2,105.00
February-----	2,345.83
March-----	2,725.00
April-----	917.00
May-----	3,242.00
June-----	3,027.00
July-----	3,662.21
August-----	2,966.97
Total-----	1 35,002.17

\* Above covers all wages paid to United States employees as taken from weekly records.

## SCHEDULE C-3. MATERIALS

Purchased from—	Items purchased	Amount
J. A. Taudte Co., Miami.....	Paint.....	\$2,525.94
Llewellyn Machinery Co., Miami.....	Cable, thimbles, clamps.....	103.36
Kerns Lumber Yard, Inc., Miami.....	Lumber.....	475.39
Acme Plywood Co., Miami.....	Lumber.....	196.80
Paul E. Shipe, Inc., Miami.....	Steel pieces.....	8.71
General Electric Supply Co., Miami.....	Galvanized bolts.....	75.36
Merrill-Stevens Drydock Co., Miami.....	Wire rope.....	201.30
Edge Cordage Co., Miami.....	Manila rope.....	298.29
Miami Wood Treating Co., Miami.....	Creosoted lumber.....	268.40
Railay-Milam, Inc., Miami.....	Bolts, chain, clamps, turnbuckles, etc.....	615.36
Miami Galvanizing Works.....	Galvanized bolts.....	59.52
A. & B. Pipe & Supply, Miami.....	Galvanized and copper pipe and fittings.....	79.70
Central Machinery & Supply Co., Miami.....	Rope, cable, hardware, etc.....	1,300.97
C. J. Bryson, Miami.....	Steel plate.....	8,494.08
Cameron & Barkley Co., Miami & Jacksonville.....	Hardware and supplies.....	781.82
Gondas Corporation, Miami.....	Motor supplies.....	161.45
Maule Industries, Miami.....	Rock, sand, and cement.....	1,553.57
Kennerk Welding Supply, Miami.....	Welding items.....	65.60
Army Salvage Co., Miami.....	Supplies, Hardware.....	274.72
Merrill-Balfie division, Miami.....	Cable, rope, hardware, etc.....	1,939.18
Amazon Hose & Rubber Co., Miami.....	Rubber items.....	22.30
Miami Millwork & Lumber Co.....	Oak bumpers for buoys.....	603.20
Florida Silica Sand Co., Inc., Miami.....	Sand.....	538.76
Boys Electric Co., Miami.....	Bolts, locknuts, washers, etc.....	70.44
Florida Gas & Chemical Corp., Fort Lauderdale.....	Bushings, locknuts, bolts.....	74.93
Florida Bag & Textile Co., Miami.....	Welding items.....	27.00
Goodyear Tire & Rubber Export Co., Akron.....	Bags for sand and rock.....	19.13
Hopkins-Carter Hardware Co., Miami.....	Rubber dock fenders.....	3,376.30
Downsmith Brass & Copper Co., New York.....	Hardware items.....	31.39
Welders Equipment Co., Miami.....	Brass rods.....	52.36
United States Steel Export Co., New York.....	Welding supplies.....	126.46
M. Rankin Lumber Co., Miami.....	H-piling (steel piles).....	9,122.85
Raybro Electric Supplies, Miami.....	Lumber.....	169.05
Laube Steel Co., Chicago, Ill.....	Bolts and washers.....	40.69
Westinghouse Electric Supply Co.....	Steel H-piling.....	1,556.55
Duval Engineering & Contracting Co.....	Galvanized washers and bolts.....	32.83
Miami Shipchandlery.....	Rope and lumber.....	203.94
Plant City Welding & Tank Co., Plant City, Fla.....	Hardware supplies.....	26.75
Ebsary Foundation Co.....	Rolled plate-steel (tanks).....	506.26
Paul Smith Construction Co.....	Steel piling.....	463.50
All other materials, per cash tickets as turned in by officers and superintendent.....	Paint.....	440.00
		2,512.51
Total cost of materials.....		39,496.72

## SCHEDULE C-4. EQUIPMENT RENTALS

Rentals of cars (Hertz, Avis, Olins).....	\$211.49
Rentals of trucks (moving operations).....	210.28
Rental of pile hammer, Charlotte Equipment Co., Charlotte, N. C.....	3,000.00
Rental, <i>Arbalet</i> , for salvage operations.....	1,080.00
Rental, compressor and extractor, Lewellyn Machinery Co., Miami.....	2,297.80
Rental, motor vessel <i>Roanda</i> , salvage and delivery of materials.....	1,849.95
Rental of barge, <i>Galco 52</i> from Miami Towing Co., Miami.....	3,150.00
Rental of Gar Wood dragline, R. E. W. Corp., Fort Lauderdale, Fla.....	9,000.00
Rental of miscellaneous small equipment, Paul Smith Construction Co., Miami.....	412.00
Rental of sea sled, <i>Edward L. Fisher</i> .....	100.00
Rental of motor vessel <i>El Torito</i> , Captain Leroy P. Johnson (7 months, at \$3,000 monthly).....	21,000.00
Rental of Jaeger compressor and hammer, Blanchard Machinery Co., Miami.....	7,916.93
Rentals, dockage space, Mader & Co., Shaw Bros. Oil Co., Miami.....	1,458.94
Rental of barge <i>DE 44</i> , from Duval Engineering Co., Miami, Fla.....	3,403.93
Rental of office equipment, Business Equipment Unlimited, St. Petersburg, Fla.....	35.02
Rental of rowboat, Joe Albury.....	35.00
Rental of dragline, Marine Foundation Co., Inc., Miami.....	2,182.50
Rental, oxygen and acetylene tanks, Florida Gas & Chemical Co., Fort Lauderdale.....	121.12
Total.....	57,464.96

## SCHEDULE C-5. OTHER JOB COSTS

## A. Allowances and supplies:

Food and supplies	\$3,038.23	
Travel allowances for United States employees	5,480.00	
Clothes lost on <i>Monster</i>	250.00	
		\$8,768.23

## B. Services at direct cost:

Sandblasting and painting, R. J. Walters	669.93	
Salvage work, Bimini	173.50	
Marine inspections	75.00	
Agent, shipping papers	340.88	
Testing, Pittsburgh Testing Laboratory	360.48	
Native seaman, Bahamas	305.00	
Native diver, Bahamas	40.00	
Supervisory, engineering, and accounting services on job	3,250.00	
		5,214.20

Total other job costs 13,983.79

## SCHEDULE C-6. OVERHEAD COSTS

Audit and legal (see schedule O-1)	\$4,112.33
Bond premiums (Chestnut & Lee, Clearwater, Fla.)	1,279.50
Fees and permits	58.61
Gasoline and lubricants	5,688.92
Insurance, workmen's compensation and public liability	1,369.21
Other insurance (marine risks, towers liability, etc.) John B. Green, Inc., St. Petersburg, Fla.	9,643.94
Interest (loans from Union Trust Co., St. Petersburg, Fla.)	4,400.90
Officers' compensation (see schedule O-2)	9,500.00
Office supply and expense	1,341.02
Other expenses (see schedule O-3)	1,386.30
Rentals, warehouse and office	973.20
Repairs and maintenance (see schedule O-4)	6,699.44
Payroll taxes (Florida unemployment and Federal old-age benefits)	1,462.02
Taxes and licenses	101.00
Telephone and telegraph	1,994.03
Tools expendable (see schedule O-5)	3,796.11
Travel expense, aircraft hire and other transportation, hotels, meals, etc.	14,726.89
Utilities	243.80
Total overhead costs	68,776.32

## SCHEDULE O-1. AUDIT AND LEGAL

M. H. Rosenhouse, attorney, Miami	\$3,283.76
Charles Bragman, attorney, Washington	169.28
Charles Fisher, attorney, St. Petersburg	100.00
Eugene DuPuch, attorney, Nassau	25.00
David Schwartz, certified public accountant, Tampa	250.00
Charles Mills, survey	100.00
M. Monroe, auditor	184.29
Total audit and legal	4,112.33

## SCHEDULE O-2. OFFICERS' COMPENSATION

James F. Thomson, president	\$4,200.00
Albert F. Miller, vice president	3,400.00
Michael Monroe, secretary	1,900.00
Total officers' compensation	9,500.00

## THOMSON CONTRACTING CO., INC.

## SCHEDULE O-3. OTHER EXPENSES

(Consists of out-of-pocket expenses, not otherwise classified, as reported by officers through petty cash tickets)

A. F. Miller, petty cash.....	\$867. 50
J. F. Thomson, petty cash.....	384. 60
M. Monroe, petty cash.....	134. 20
Total other expenses.....	1, 386. 30

## SCHEDULE O-4. REPAIRS AND MAINTENANCE

Repairs to boom, etc. on motor vessel <i>Monster</i> , paid to Dade Drydock Co., Miami.....	\$2, 254. 26
Merrill-Stevens Drydock Co., on <i>Monster</i> .....	1, 330. 57
Major repair work.....	3, 584. 83
Minor repairs (includes work done by the following concerns): Peninsular Armature Works, Diesel Power Corp., Florida Yacht Repair, Florida-Georgia Tractor Co., Hi-Volt Battery Co., Adams Garage (jeep repairs), Jones Boatyard, Pearce Simpson, Inc. (radio repairs), Henry's Auto & Truck Parts): Minor repair work.....	3, 114. 61
Total repairs and maintenance.....	6, 699. 44

## SCHEDULE C-5. TOOLS EXPENDABLE

Consists of small tools of all descriptions purchased from the following:

Railey Milam, Inc.....	\$1, 020. 43
Central Machinery & Supply.....	20. 15
Welders Equipment Co.....	68. 05
Cameron & Barkley.....	444. 62
Amazon Hose & Rubber Co.....	214. 28
Nicholas Nordone (pile shoes).....	22. 00
Hi-Volt Battery Mfg. Co.....	173. 70
Fla. Ga. Tractor Co.....	30. 09
Kennerk Welding Supply.....	39. 90
J. Frank Knorr.....	170. 70
Sportsman's Supply.....	79. 00
Warehouse Sales & Salvage.....	218. 08
Blanchard Machinery.....	241. 40
Army Salvage Co.....	57. 92
Gibbs Corporation.....	115. 00
Jax. Shipchandlery & Awning Co.....	262. 56
Pinelass Machine Co.....	60. 00
Fla. Gas & Chemical Co.....	2. 52
C. J. Bryson.....	165. 46
Blackburn's Battery Service.....	158. 30
Underwater Sports, Inc.....	85. 00
American Industrial Sales Corp.....	146. 95
Total tools expendable.....	3, 796. 11

